



THE CHAIRMAN

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

May 31, 2002

The Honorable Edward J. Markey  
U.S. House of Representatives  
2108 Rayburn Building  
Washington, DC 20515-2107

Dear Congressman Markey:

I am writing to follow up on our recent correspondence concerning research analyst conflicts of interest.

As you know, on May 28, I transmitted to you a memorandum prepared by the Division of Enforcement. That memorandum responded to specific questions you posed regarding the Commission's enforcement activities in the area of research analyst conflicts of interest. It has come to my attention that the memo inadvertently included information concerning an action the Commission brought against a "financial analyst" rather than a "research analyst." That case, SEC v. Ryan D. Evans and Paul A. Gianamore, involved alleged insider trading violations by a Credit Suisse First Boston Financial Analyst in that firm's Investment Banking division. The Commission's complaint in that matter alleges that the analyst, Paul Gianamore, through his employment at CSFB's Chicago office, obtained nonpublic information about certain mergers and acquisitions before they were announced, and then tipped his friend Ryan Evans about the information.

The erroneous inclusion in the memo of the Gianamore case affects the answers provided to Questions 5 and 8 of your letter. I am advised that the correct information is as follows: Fifteen inquiries or investigations that raise issues of analyst conflicts of interest have resulted in the filing of enforcement actions in federal court, in an administrative context, or both, and one enforcement action relating to possible research analyst conflicts is pending. (Information concerning the pending matter may be found at Exhibit O of the memo.)

I regret any confusion this error may have caused. If you have any questions, please call me at 942-0100.

Yours truly,

A handwritten signature in black ink, appearing to read "Harvey L. Pitt".

Harvey L. Pitt